APPENDIX D: Budget System Business Requirements Document

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Part I: Overview and Introduction

Purpose and Overall Objectives

This document provides a definition and description of the general objectives and functional requirements for the King County Budget System. In addition to the objectives and requirements, it includes a description of the system capabilities desired by King County. It also includes a discussion of how the system and process will interact with and relate to human resources, payroll and finance functions. The intent is that this document will be further developed and enhanced, resulting in a Request for Proposal (RFP) issued by King County.

In 2006, King County revised its Strategic Technology Plan. At that time, the King County Council moved enterprise applications (Financials, HR/Payroll, and Budget) to the Number One Efficiency Goal for the County. The Executive's proposal to achieve this goal is termed the Accountable Business Transformation (ABT) Program. A key objective of this program is to standardize and streamline and integrate operating and capital budgeting by implementing an operating and capital budget solution countywide. King County currently uses a variety of separate budget preparation databases and spreadsheets and monitors the adopted budget in two separate financial systems with no integration between the budget modules and financial system. The adoption of a single standard budgeting system will focus on implementing those industry best practices imbedded in the software systems, reducing the need for costly system modifications.

Methodology

To document the budget system business requirements for King County, a series of group interviews were conducted in early March and April of 2007 with selected subject matter experts (SMEs) from the three primary budget key stakeholder groups, as follows: King County Council, Departmental Budget Users, and the Office of Management and Budget (OMB). To solicit information from the SMEs on their collective budgetary system needs and desired future capabilities, a list of prepared questions was used (see Appendix W – Interview Questions). Participant answers and the results of group discussions that took place during the meetings were captured and later organized to provide input into the final Appendix Y - Budget Requirements Document.

Following these group interviews, a series of facilitated work sessions was held with the budget SMEs. These sessions presented information on best practices in public sector organizations and provided an iterative approach to further defining and detailing budget requirements. Best practice information was a compilation of data extracted from the Hackett Group, Gartner and GFOA websites. The goal of this process was to work toward agreement among key stakeholders and SMEs regarding critical system requirements. In addition to these work sessions, a series of alignment, decision-making, and review discussions were held with SMEs to ensure consistency and alignment around the final requirements outlined in Appendix Y – Budget Requirements Document.

The figure below illustrates the approach that was used to develop the final requirements document.
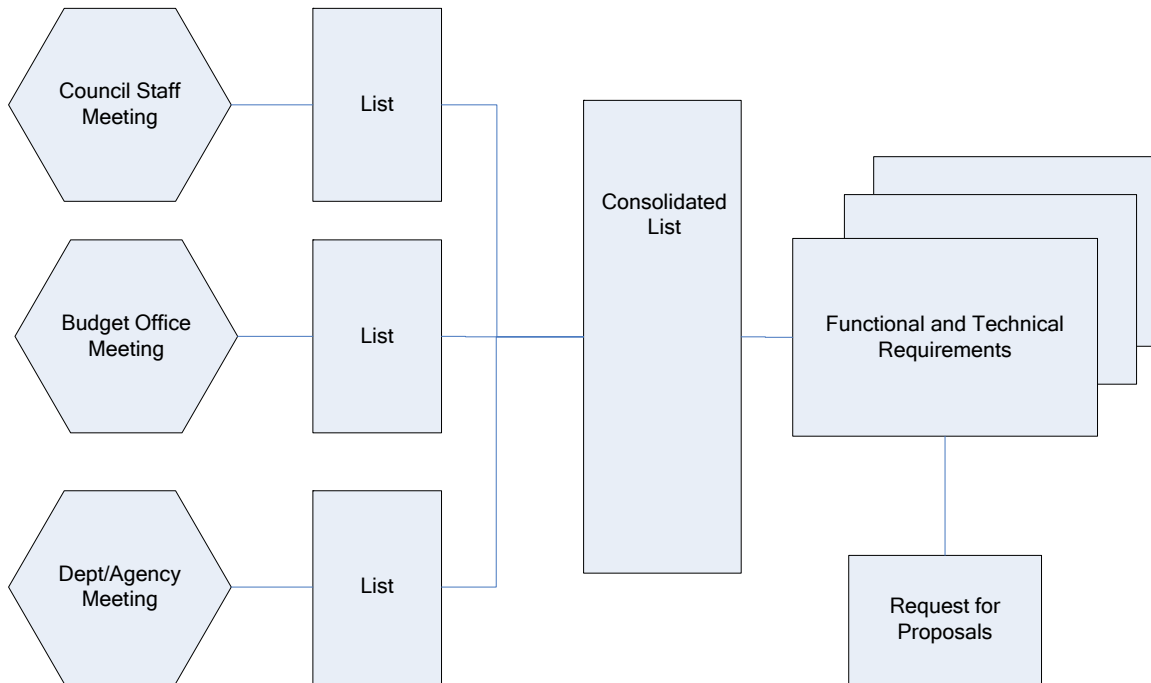
Next Steps

The county plans to establish a smaller working group of key representatives from a variety of user groups to take the Budget System Requirements developed and expand this document into an RFP to support the search for a new Budget system. As the team develops the RFP, it will be important to address the following items:

- The document represents the requirements as of May 31, 2007 and will need to be kept current as the process goes forward.

- The requirements ranking currently included in the requirements section represent the votes collected from the SMEs and will be used as input to the final ranking process. The RFP team will need to review the requirement rankings and create weighted rankings that represent those items that are truly critical to meet the county's budget needs.

- High level "Mandatory" requirements will need to be defined that vendors must meet to be considered a viable vendor.

- County technical environment standards need to be documented and the current PeopleSoft and Oracle architecture should be documented as well.

- Additional sections need to be added to define the RFP proposal evaluation process, contractual requirements and other sections the county procurement office typically requires to support selection of software of this nature.

Part II: King County Organizational Overview

King County ranks number one in population in the State of Washington and is the financial, economic and industrial center of the Pacific Northwest region. With 1.8 million residents, it is the 11th most populous county in the country. Currently, there are 39 incorporated cities within King County, including the city of Seattle.

King County operates under a Home Rule Charter adopted by a vote of the citizens of King County in 1968 and is organized under the Council-Executive form of county government. The Metropolitan King County Council is the policy-making legislative body of the county. The council's nine members are elected by district to four-year staggered terms and serve on a full-time basis. The County Council sets tax levies, makes appropriations, and adopts and approves the annual operating and capital budgets for the county. Other elected county officials include the County Executive, Prosecuting Attorney, Sheriff, Assessor, and Judges. Except for the Sheriff and Judges, all of these are partisan positions, elected at large to four-year terms.

The County Executive serves as the chief executive officer for the county. The County Executive presents to the council annual statements of the county's financial and governmental affairs, the proposed budget and capital improvement plans. The County Executive signs, or causes to be signed on behalf of the county, all deeds, contracts, and other instruments, and appoints the director of each executive department.

King County provides some services on a countywide regional basis and some local services only to unincorporated areas. Within appropriate jurisdictions, the county provides public transportation, road construction and maintenance, wastewater treatment, flood control, agricultural services, parks and recreation facilities, law enforcement, criminal detention, rehabilitative services, court services, tax assessments and collections, land use planning and permitting, zoning, public healthcare, emergency medical services, election services, animal control, and the disposal of solid waste. In addition, the county has contracts with some cities to provide local services to incorporated areas of the county.

King County has 15 departments with 87 divisions and the 2007 budget ordinance included about 115 operating appropriation units. Five departments implement capital programs.

King County is launching an effort to transform the way it does business, the Accountable Business Transformation (ABT) program. ABT is a multi-year program to standardize and modernize the county's financial, payroll, human resource and budget business practices so that:
- The same financial software (Oracle) and human resource/payroll software (PeopleSoft) can be used by all county agencies; and
- A new operating and capital budget software system can be implemented for all county agencies.

The goal of the ABT project is to implement best practices and produce better information. Today the county does not use standard modern business practices. Also, the county operates two financial systems, two human resource/payroll systems and many side systems; and two budget systems. Once implemented, the ABT program will enable the county to manage its financial, budget and human resource operations as one government using standard business practices and an integrated computer system.

An important element of new budget system functionality will be integration with the PeopleSoft HCM Position Management module. Position management is, among other things, the one-to-one match of budgeted positions and headcount. In the current King County environment, position management is primarily done at the agency level using spreadsheet or database side systems. There is no central system that can be used to plan, budget, and administer the county's workforce as a whole. A number of the requirements listed in Appendix Y concern the ability to use detailed position level data for planning and budget development.

Size of operating budget – 2007	$2.4 billion
Size of capital budget – 2007	$1.1 billion
Number of full time equivalent FTE positions	15,000 total, 13,360 fully benefited FTEs

Replacement of Legacy and Side Systems

Any proposed Budget System must be able to perform the functions of the County's current systems. The list below describes the legacy systems used by the County for budgeting that are planned to be replaced by the new budget system. There are also many side systems used to develop and monitor budgets at the agency level. The intent of this Budget System project is to eliminate those side systems as much as possible by providing tools and integration with the financial, human resources and payroll systems. Timing of the implementation will be determined during the Implementation Planning Phase of the ABT Program.

System Name	Use Description	System (Data Processing) Technology	Upstream Feeds, Input	Downstream Feeds, Output
Essbase	Primary central operating budget preparation system. Essbase is not integrated with the current financial systems. All adjustments during the year are posted directly to the financial systems.	On Line Analytical Processing database. Extended spreadsheet uses Excel to access dimensional data.	Prior year adopted budget is rolled forward to initialize Essbase for the new budget cycle.	Custom interfaces to ARMS and IBIS financial systems.
PONS	Job Positions file. Tracks salary and OT budgets at the position level. Used to populate position control in ARMS and track adopted FTEs for annual budget ordinance.	SQL	Receives manual downloads from the payroll systems.	PONS is a subsidiary payroll budget ledger for Essbase. Total dollars in PONS tie to control accounts in Essbase.
BudPrep	Legacy mainframe system still used by one department for operating budget preparation at a more detailed level.	Mainframe system uses COBOL programming language.	Custom interfaces to ARMS.	Custom interfaces to ARMS.
M-Base	Decision tool that tracks proposed budget requests at the appropriation level. Reports requested and approved budget.	Access	Requested budget changes are loaded via Excel template to M-Base.	Does not interface to any system. Dollar amounts are at the summary level so must manually load detailed budget request into Essbase.
CIPbase	Primary central capital budget system used for all capital budgets, includes six years.	Access	Requested budget changes are loaded via Excel template to CIPbase loads from Access databases or by manual input to forms built into CIPbase.	Custom interfaces to ARMS and IBIS financial systems.
Quinci	Populates and calculates salaries and benefits.	Visual Basic front end over SQL DB	PONS	Does not interface to any system.

Part III: King County Budget Process Overview

The overall purpose of King County's budget process is to improve government accountability, a process that results in an adopted budget ordinance. The adopted ordinance grants legal spending authority for each of the appropriation units in King County government. The adopted budget is documented in a final budget book. The budget book is a key policy document outlining county services and capital projects. Budget development is a process for identifying funding priorities in the coming year and making decisions on whether to fund these priorities based on available funding as well as other high-priority program initiatives and capital projects.

Budget development for new capital improvement projects coincides with budget development for operating programs. In addition, ongoing capital improvement projects are reviewed, progress evaluated, and prior year funding plans updated. This process results in the Capital Improvement Program (CIP) Budget book which details the six-year funding plans.
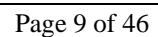
Business Process

The following flow charts depict the Operating Budget and Capital Budget processes in the current state. The future state of the budgeting process will focus on creating common processes for the capital and operating budgets that address all stages in the budget process (planning, development, adoption, implementation, and control). The future processes should share information and versions of the budget proposals between the Executive's Office of Management and Budget, departments, and the King County Council, while providing necessary security and confidentiality.

The goal is to transform this process into a more automated flow starting with each department's development of their budget request that electronically moves to the budget office for review and once the budget has been analyzed and decisions made by the Executive Office, the Executive Proposed Budget is transmitted to the council for their final review, approval and adoption. Once adopted, the budget should flow electronically back to OMB for integration into the financial system.

Once the adopted budget is loaded in the financial system, the appropriate budget users need to be able view, report and revise the adopted budget throughout the fiscal year. The financial system needs to accommodate multiple versions of the budget. The first version is the adopted budget that can not be adjusted in the financial system. The second version is the revised budget that tracks and reports all adjustments to the adopted budget. Tracking the budget requires that adjustments be documented in the budget system to allow for a complete audit trail of all adjustments. Another goal is that the system limit access to the budget data by preparation phase (department budget development, budget office review and council review) and security keeps the budget information secure until it is released for each review cycle.

Operating Budget Development Process (Current Process)

King County Operating Budget Development - High Level Flow

Council
- Review Budget & Hold Hearings
- Adopt Budget

Executive
- Transmit to Council
- Sign Budget (Line Item Veto)

Budget Ofice
- Prepare Preliminary PSQ Budget
- Preliminary Status Quo
- Budget Instructions
- Review Department Budget Submittals
- Prepare Budget ordinance, database & legislation
- Respond to Council Requests
- Implement Budget
- Load Budgets to ARMS/IBIS (OMB w/ ITS)
- Reconcile Payroll Budget

Departments
- Strategic Planning & Financial Forecasting
- Prepare Budget Request for Submittal
- Supply Additional Information & Justification
- Respond to Council Requests
- Other Agencies
- Public Health

Systems
- Essbase
- Department Budget systems including PH & copies of Essbase DB
- M-Base
- ARMS/IBIS
- Essbase (PONS)

Capital Budget Development Process (Current Process)

King County Capital Budget Development - High Level Flow

Budget Preparation/Ordinance

Council
- Review Budget & Hold Hearings → Adopt Budget

Executive
- Transmit to Council
- Sign Budget (Line Item Veto)

Budget Office
- Revenue Projections
- Initiate CIP Budget
- Review Department Budget Submittals
- Prepare Budget Document
- Respond to Council Requests
- Implement Adopted Budget
- Load to ARMS/IBIS (OMB w/ ITS)

Budget Instructions

Summary Only

Departments
- Base CIP Budget
- Prepare Budget Request for Submittal
- Supply Additional Information & Justification
- Respond to Council Requests

Systems
- Spreadsheets
- CIP-Base (CAS)
- ESSbase & M-Base
- ARMS/IBIS

Summary Only

King County Budget Development Responsibilities, Process and Schedule

The following chart identifies the phases and schedule currently used by the County to develop the budget. The steps and dates are as follows:

Responsible	Step	Timing
Exec./OMB	Identify Major Budget Issues/Impact Assessment	February - May
OMB/Depts.	Evaluate Services Needs.	January - July
OMB	Establish Status Quo Budget And Preliminary Financial Forecast.	April - May
Depts.	Formulate Operating Budget.	May – early July
Depts.	Formulate Capital Budget.	April – early July
OMB & Executive	Analyze department budget submittals. Balance Operating and Capital Budgets to Estimated Revenues. Prepare Executive's proposed budget	July - September
OMB & Executive	Transmit the Executive's Proposed Budget to Council	By mid-October
Council	Review the proposed Budget submittal and adopt the new year's budget.	October –November

The King County budget process is described in more detail in Appendix X.

Part IV: Vendor Requirements

Defining the long term vendor relationship is extremely important to the overall success of the Budget System selected. It is not only important to select a system that meets functional and technical requirements, but equally important to ensure that the vendor has long term viability as a Budget System vendor. Because the County is a large, complex public sector organization providing services through various lines of business, the vendor's long term commitment to the public sector is extremely important to ensure that the long term needs of the County will continue to be met as new software is developed. Finally, investment in the right technology and continual improvements in system functionality require a commitment to research and development. These and other items listed below are important points the County will consider as it launches the search for the right Budget System vendor.

As part of the RFP development phase, the following points will need to be incorporated into specific vendor requirements related to the King County Budget System selection.

Listed below are some recommendations of Vendor Requirements for consideration by the RFP development team. During the development of the RFP, the RFP team will need to review this list of Vendor Requirements, as well as look at other information, to define the requirements that a software vendor should meet. The team will also want to select those requirements considered Mandatory. Mandatory requirements are used to eliminate

vendors that the County would not consider a viable solution (i.e. they do not have any public sector clients, have not been in business long, etc)

The following list of requirements are provided for consideration to the RFP Development team for inclusion in the final RFP

1. Financial Viability
   a. Vendor is well-established (publicly traded)
   b. Vendor is strong financially (not prime for acquisition)
   c. Vendors with poor revenue position will not be considered
   d. Vendors will submit their North American Industry Classification System (NAICS)
   e. Vendors will be required to submit financial statements for multiple years
2. Industry Strength
   a. Vendors must have 5+ years experience in public sector systems market
   b. Vendor must have installations in public sector clients of similar size and complexity
   c. Vendors must have large install base, strong sales and R&D
   d. Smaller/startup vendors will not be considered
3. Functionality
   a. Vendor's products fully support the major functions required with minimal customization
4. Training and Support Requirements
   a. Vendor provides full spectrum training
   b. Vendor provides 24/7 hotline support
5. Technological Strengths
   a. Vendor R&D efforts are focused on open architecture
   b. Proprietary systems will not be accepted.
   c. Platforms will require open technology.
   d. Web platform and workflow enabled
6. Cost
   a. Set a cost threshold to define the County's budget boundary
   (NOT TO BE SHARED WITH VENDOR)

Part V Functional Requirements

Scope - Desired Budget System Capabilities

The County is looking for a budget system solution that will provide an integrated budget preparation and performance measurement system that can effectively provide the following capabilities and services in a user-friendly and flexible manner:

- Budget Process Management
- Budget Analysis and Reporting
- Forecasting and Planning
- Performance Management and Measurement
- Implementation and Training Services

Generally, project deliverables will include:
- Software license
- Software installation and acceptance testing
- Software training and other implementation services
- Software support and maintenance

The Scope of Capabilities is to be used as a general guide and is not intended to be a complete list of all functionality. The following capabilities and services are required.

Budget Process Management: Improve the basic budget preparation process by expanding access and information to budget process participants.
- Provide distributed budget data entry for an end-to-end budget preparation system with single entry of data that flows through the entire system.
- Support annotation and documentation of budget transactions in submittals and changes to the budget as it flows through the preparation cycle in each phase.
- Build a base-line budget upon which departments build their budget requests.
- Maintain unique processes for capital and position budgeting
- Monitor and maintain an audit trail of changes to the budget as it moves through phases prior to final approval.
- Publish professional budget documents, which include information from various sources, utilize charts and graphs and integrate performance data.
- Allocate overhead expenditures among and within agencies based on an analytical analysis.
- Provide workflow and allow budget revisions to be posted to the budget system in a distributed process.
- Provide an audit trail of all budget adjustments in the system and report both adopted and revised budget.
- Enable carryover of all budget objects for both operating and capital.

Budget Analysis and Reporting: Generate a variety of reports and provide flexible analytical tools including user-defined queries.

- Provides reporting of budget balance available for operating and capital budgets by fund, appropriation unit, cost center, project and account.
- Forecast expenditures and revenues that can be used for multi-year budgeting.
- Provide a front end query tool (like Excel) that allows data to be downloaded and uploaded from/to the financial system, payroll/HR system and budget system.
- Analyze real-time "what if" scenarios that can be utilized at any time during the year, e.g. for budget request development, contract costing and overhead allocations.
- Provides integration from the budget system to both the financial system and payroll/human resources system.
- Provide business intelligence with an on line analytical processing (OLAP) system integrated with a data mart that allows various business intelligence dimensions (cubes) to be created.

Performance Management and Measurement: Provide performance management and performance measurement capabilities that can be tied to the County's budget process.

- Maintain departmental-level performance measures that are updated automatically, to the greatest degree possible, from various information sources.
- Integrate program costing with performance measures.
- Integrate performance measures into the budgeting process and budget document.
- Roll up performance measures to broad cross-departmental service areas and organization-wide measures.
- Monitor and report results through dashboards and scorecards.

Forecasting and Planning: Support long-term planning capabilities, including a capital budgeting and planning module that can evolve with the County's priorities and needs.

- Forecast expenditures and revenues that can be used for multi-year budgeting and to support biennial budgeting.
- Maintain a 10-year capital plan, each year of which is integrated into the base budget.
- Create separate, unique departmental request process for all capital items within to-be defined parameters.
- Allow for budgets that are carried over into future capital improvement plan years.
- Track multi-year capital and operating projects (life-to-date).

Detailed Budget System Business Requirements

A detailed list of Budget System Business Requirements is provided within the Appendix Y - Detailed Budget Requirements. All of the requirements are organized into logical groupings and priority ranked. Note that requirements labeled "mandatory" have been highly ranked by the SMEs. For the RFP, all requirements will have a numeric weight and score that will reflect the level of importance given to each of the requirements. The mandatory elements in the RFP will be at a higher level than the 166 detailed requirements shown here.

Appendix Z is a glossary of terms used by King County in budgeting.

Part VI: Technical Requirements

This section of the RFP will need additional development with involvement of the Oracle and PeopleSoft technical staff to ensure that a description of the future technical landscape is provided and County standards are appropriately defined.

The RFP must be developed to include sections that address the following system requirements related to the overall system architecture, administration, performance, security and software configuration and development tools. The following questions are provided as a sample for the RFP team. Work will be required with input from the

County's IT department to further develop the list of final RFP Technical requirements. Provided below is a sample list of questions that the vendor's response should address:

Database Administration Tools
- Specify the tools provided by the Vendor.

Operating System Administration Tools
- Specify the tools provided by the Vendor.

System Administration Tools
- Describe the software administration tools provided and how they are used to manage the software.
- Also, describe whether the Third Party tools are required to support the County-selected Software Solution.

Database Configuration Tools
- Describe the configuration toolkit and features.
- Define the tool(s) scope of functionality (e.g., modify, create, or delete of fields, rows, and/or tables, ability to create automated key assignment logic, etc.).
- Describe the level of technical expertise required to utilize these tools.

Business Process Management Tools
- Describe the toolkit and features.
- Define the tool(s) scope of functionality (e.g., business process and business rule documentation, workflow creation, etc.).
- Describe the level of technical expertise required to utilize these tools.

User Interface Management Tools
- Define the tool(s) scope of functionality (e.g., creation of new screens, addition of fields to screens, viewing privileges, etc.).
- Describe the level of technical expertise required to utilize these tools.
- Describe the toolkit and features.

Technology Architecture
- Software must provide integration to Oracle Finance 11.5.10 and PeopleSoft HCM 8.9. Provide diagrams of the minimum and optimal hardware architecture for the system. Please use an example that has been implemented in a Public Sector organization similar in complexity and size of the county.
- Software must be architected so that the design includes mechanisms for expanding/enhancing the system with new capabilities (application extensibility) without having to make major changes to the system infrastructure or architecture for the purpose of avoiding early obsolescence.
- Provide a diagram showing the architectural design of the system (e.g. the database layer, application layer, user interface layer, etc.) and describe key functionality at each layer.
- Upon which platforms does your software run?
- If your software can run on multiple platforms, what is the preferred platform?
- What are the optimal and minimum network requirements?

- What are the optimal and minimum database requirements?
- What are the optimal and minimum server requirements?
- What are the optimal and minimum desktop (client) requirements?
- Is your software web-enabled, web-based, or both?
- Specifically identify any functionality/components that are not web-based.
- Indicate whether the relational database licenses your product uses are included with your proposal, whether you will provide the database licenses at additional cost and specify that cost, or whether the County must purchase the database licenses separately.

Development Tools
- The implemented system shall include a single set of integrated, industry standard software development and maintenance tools, with a large base of trained practitioners.
- What application toolsets are included with the software?
- What programming languages and skills are required to maintain the software?
- What tools are available to customize the software (e.g., add fields, create new tables, change menus, etc.)?
- What monitoring is routinely required for optimal system performance (e.g., monitoring of audit files)?

Workflow
- Describe the workflow tools in your software.
- Are there any standard workflow paths designed to facilitate the budget process?
- How are workflow rules defined?
- Describe their flexibility and customizability.
- What is the maximum number of approval levels in the delivered solution?

Data Storage Architecture
- Please describe the architectures used in your data model(s) and where they are used (e.g., star schemas, snowflake schemas, online analytical processing (On Line Analytical Processing - OLAP) cubes/dimensions, relational database management system (RDBMS), etc.)
- Describe the business intelligence development functionality and the (ETL) extract transform and load functionality.

Security
- What security controls are included?
- Describe the access control method for: administrative tools; application; menu; record; field; and querying/reporting?
- How is the security profile defined?
- What is included in the user security profile?
- Describe the authentication method used
- Describe any other access control methods used
- Describe any password limitations of the system (i.e. upper case only, lower case only, no special characters, maximum length, password aging, etc.)

- For each platform in which your software operates, describe how the operating system is hardened.
- What ports are required to be open to operate your software?

Upgrade Questions

- What is the upgrade frequency?
- How are patches and fixes applied?
- How are patches and fixes deployed?
- How are upgrades applied?
- How much training (technical training and end user) is generally required with upgrades to the system?
- What happens to software customizations (e.g., user-defined tables) during the upgrade?
- How many versions of the software does your firm support simultaneously? What is the typical length of support for current versions once a new version is introduced? What is the cost of extending support beyond published end date?
- Please provide details of all upgrades and bug patches over the last three years.
- Provide an anticipated future release schedule.
- Describe how the County is notified of pending software upgrades and their scheduled rollout dates.
- Describe the tasks required for the County following a new release/major redesign of an application including the impact of the proposed customization.
- Describe the upgrade installation process including County staff roles and typical timelines.
- How will future upgrades to PeopleSoft HCM and Oracle Financials be supported by the software?

Reporting

- Describe the reporting and analysis tools available.
- To what degree do your tools accommodate differing levels of sophistication among the user community (e.g., executive level alerts or queries vs. tools for knowledge workers to perform more in-depth analysis of select data)?
- Are there any interfaces to Microsoft Office and Microsoft Projects?
- Describe the publishing tools available.
- Do the same security definitions apply to the reporting tools as to the main software?
- Describe how your software provides for the following types of custom report writing tools that will use the application established security at the database level, including:
    - User-friendly end-user report creation requiring no technical staff nor special expertise to create and publish reports within the modules.
    - Graphical report-writer.
    - Reporting from multiple databases.
- Describe how the reporting and business intelligence environments shall be implemented to use the same security profile as the transactional environment.
- Describe the strategy for providing historical reporting. Examples may include a data warehouse/mart with historical data and periodic updates from production data, linkages back to existing systems or other solution. Describe your approach for leveraging the County's existing data now contained in legacy systems.

Maintenance and Support Program

Specify the nature of any post-implementation and on-going support provided by the Vendor including:

- Post-implementation support (e.g., number of days of on-site support after go-live).
- Telephone support (e.g., include toll-free support hotline, hours of operation, availability of 24 x 7 hotline, etc.).
- Special plans defining "levels" of customer support (e.g., gold, silver, etc.). Define what level of support is being proposed.
- Delivery method of future upgrades and product enhancements including historical frequency of upgrades by module.
- Availability of user groups and their geographic areas.
- Problem reporting and resolution procedures.

Performance

Provide a description of specific performance that must be delivered. Include King County Performance Standards in RFP.

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Appendix W - Questions for Budget Stakeholder Group Interviews

1. What goals do you have for the future budget system and what would you like to see accomplished?

2. How will you define success for this initiative?

3. If you were creating a budget "wish list", what would be on it?

4. What are the limitations or drawbacks to the current budget system?

5. What sort of budgetary information do you currently not have access to that would be helpful? What type of reports would be helpful?

6. When you think about specific budget features or capabilities, what are your top priorities?
    o   Potential areas:
        ▪   END-USER INPUT
            •   Tools for data entry and manipulation?
            •   Shared or collaborative work space to build budget requests?
        ▪   BUDGET FORMULATION
            •   Building budget requests and approval process
            •   Benefit and salary forecasting
            •   Revenue Forecasting
        ▪   BUDGET PROCESS MANAGEMENT
            •   Monitoring capabilities
            •   Point of entry alerts
            •   Version control
        ▪   BUDGET REPORTING & ANALYTICS

7. Do you foresee any risks or potential barriers with this program?

8. What expectations do you have relative to your level of involvement in the initiative?

Appendix X - Current Budget Process and Description of Funds

Identify Major Budget Issues/Impact Assessment – Executive/Office of Management Budget (OMB). (February - May)

This preliminary phase of the budget development process is to identify significant budget issues for the following year. Between February and May of each year, the County Executive and his cabinet identify operations facing significant volume increases, unmet community needs, methods to improve services to the public, major maintenance requirements, new or expanded facility requirements, and other budget issues. Preliminary cost estimates are discussed for these identified budget issues.

During this phase, a review of the county's long term financial and programmatic policies is conducted to identify areas of possible change given the current economic environment and needs of the county's citizens. Once established, these policies usually span several years to allow for implementation. Changes most often result from the creation of a new policy. King County constantly strives to improve the processes that have resulted in its current state of excellent fiscal health.

During this phase, the county's short-term financial and operational policies are reviewed. Departments determine their main priorities and objectives for the year. They develop programs and determine the budget implications of their plans. The results of this process can be seen in the Executive Proposed Budget. The Executive proposed budget book addresses the issues and priorities of the county on a programmatic basis. This section crosses organizational boundaries to present the county's main functional responsibilities. Within these areas, individual departments address the goals and objectives for the year on a department by department basis. The department sections explain how they will accomplish the broad operational policies and priorities discussed in the overall program area.

Establish Status Quo Budget and Preliminary Financial Forecast – OMB (April - May)

During this phase, next year's estimated costs to provide programs at this year's service levels are determined (status quo) and then are compared to preliminary revenue forecasts. This step establishes the operating base budget for the upcoming year and provides information that gives officials an idea of what the county can afford and what reductions may need to be made to maintain existing service levels during the next budgeted year.

The status quo process is the first phase of the county's financial plan development. Financial planning goes on throughout the budget process for all appropriated funds. The plans present the prior year's actual data, the current year's budget and a three-year financial forecast. The current expense (general) fund financial plan is presented in the economic and revenue section of the budget book.

The development of financial forecasts and the departments' operational priorities are guided by annual review of a series of financial indicators that affect the county. The review is conducted at the same time as the budget process. CIP Reconciliation is done to reevaluate and carry over

budgets and revenues for capital projects. The process includes closing out projects and funds that are no longer active and adjusting project budgets for under or over expenditure projections.

Formulate Operating Budget - Departments (May - June)

After assessing next year's estimated financial position at "status quo" funding levels, a plan for funding expanded programs is formulated. If there is a reduction in revenue forecasted for the following year, the plan requires departments to take measures to reduce program spending and requires departments to identify additional program cuts to meet the established financial targets. The Office of Management and Budget sets the financial targets. Operating budget requests are submitted by all county departments, except the County Council agencies.

Formulate Capital Budget Requests - Departments. (April - July)

The departments are directed to identify the county's requirements for major construction or renovation of public facilities, and acquisition of land related to future capital projects. Those requirements in the form of capital projects are then cost-estimated and ranked according to necessity by the responsible county department.

Analyze and Balance Operating and Capital Budgets to Estimated Revenues – OMB/Executive (July - September)

This phase of the budget development process involves detailed analysis of department budget requests and decisions over which requests for new or expanded programs should be recommended for funding during the following year. The Office of Management and Budget updates financial forecasts; executive cabinet task forces formally analyze program priorities; the Office of Management and Budget prioritizes capital project requests per established executive criteria; and the County Executive decides final funding recommendations. The Office of Management and Budget ensures that the final funding recommendations for operating and capital budgets are balanced with the estimated following year revenues.

Approve the Budget – Council (October - November)

The executive proposed budget is transmitted to the County Council. The Office of Management and Budget transmits financial plans for all the budgeted county funds as part of the proposed budget. The council reviews the proposed budget, holds public hearings, adjusts the budget as council members deem necessary, and adopts the budget as required by state law.

Implementation of the Adopted Budget – OMB/Depts. (December – January 10)

Once the budget is adopted, it is sent back to OMB for implementation. All council changes to the proposed budget are reflected in the budget database to prepare for loading the adopted budget into the financial systems. Before the budget is loaded, payroll reconciliation is done to update and adjust position budgets, adding COLA, step and merit increases to individual position budgets.

Process for Amending the Annual Budget

The King County annual budget is established through enactment of an ordinance by the King County Council, which allocates specific funding to each agency within the county, establishes the source of the funding and determines the number of Full Time Equivalent (FTE) employees.

A county agency or OMB determines it is appropriate for a supplemental appropriation or correction to the existing ordinance, which established the county budget, to be proposed. The affected agency or OMB prepares an ordinance that amends the annual budget ordinance for their particular section. This budget supplemental ordinance may be in the form of a budget increase or decrease, or a change in the FTE count. The Office of Management and Budget then makes a recommendation to the King County Executive as to the appropriateness of the supplemental request. The proposed ordinance is forwarded to the King County Executive for approval and transmitted to the King County Council.

The legislation is transmitted to the King County Council by the Executive. The legislation is introduced at a meeting of the County Council and is referred to the appropriate committee for review. The County Council currently has two committees that review almost all budget amendments; the Capital Budget Committee and the Operating Budget, Fiscal Management and Mental Health Committee. The legislation is also advertised in a recognized paper advising the public as to the nature of the legislation and setting a time for a public hearing before the County Council.

At the discretion of the Chair of the Committee, the legislation is then placed on the committee agenda for discussion and review. The membership of the committee may approve the legislation and forward it to the full County Council, amend the legislation and forward the revised version to the County Council, or not approve the legislation. If the legislation is forwarded to the County Council, the Chair of the County Council works with the clerk of the council to place the item on the agenda of a County Council meeting. At this meeting, public testimony is taken. After the close of the public hearing, the County Council takes a public vote and may approve, amend or not approve the legislation.

Description of King County Funds

The use of fund accounting is one of the major differences between government and commercial accounting. A fund is defined as an entity with a separate set of accounting records segregated for the purpose of carrying on a specific activity. Each fund is treated as a separate and self-sustaining financial entity. For example, the county's federal housing and community block grant is accounted for in a separate fund. The receipt and use of these grant monies are tracked, and at year end the assets and liabilities associated with the grant are determined.

For accounting purposes, there are three fund types: governmental, proprietary, and fiduciary. Governmental funds are used to account for general government operations such as police, human services, parks, or capital projects. Governmental fund types are classified as current expense (general fund), special revenue, debt service, and capital projects. Proprietary funds are used to account for a government's activities that are similar to the private sector businesses and

are classified as enterprise or internal service. Enterprise funds are established to account for organizations, which are intended to be self-supporting through fees charged for services to the public, one example is the airport fund. Internal service funds are established to account for certain activities, which support other county operations, one such fund is the computer and communications fund. Fiduciary funds are classified as agency or trust. Agency funds, such as the salary fund, are clearing accounts used to account for assets held by King County in its capacity as custodian and are offset by an equal, related liability. Agency funds are not budgeted.

Accounting for the flow of dollars in and out of accounts varies depending upon whether the fund is of the governmental or proprietary type. Governmental funds, like the current expense or special revenue funds are accounted for on a modified accrual basis which has a spending measurement focus. This means that only current assets and current liabilities are generally reported on their balance sheets and their operating statements present financial flow information of revenues and expenditures. Thus, there is a matching of amounts owed during the current business cycle to revenues to be received in cash during the current business cycle. Proprietary-type funds are accounted for on an accrual basis which has a cost services or capital maintenance measurement focus. All assets and all liabilities whether current or non-current, are reported on their balance sheets and their operating statements present revenue and expenses just like a private business enterprise. King County's revenue sources are distributed among its various funds to support the provision of county services and capital improvements. A brief description of the major categories of funds follows.

Governmental Fund Types

Current Expense Fund

The current expense fund (CX) operates similarly to what would be called a "general fund" in other governments. It is the largest operating fund of King County. The fund is used to account for all resources not required to be accounted for in another fund. The current expense fund supports law, safety, and justice programs; the county's financial and administrative management; and community development planning. In addition, the current expense fund contributes to the operating budgets of the county's public health, human services, emergency medical services, alcoholism, developmental and environmental services, parks and job training. It also makes contributions to selected capital funds for capital improvement program projects when no other funding source is appropriate.

Special Revenue Funds

Special revenue funds are used to account for revenues that are legally or administratively restricted for special purposes. These funds receive revenues from a variety of sources, including federal and state grants, taxes, permits, and service fees. These revenues are dedicated to supporting the programs of the individual special revenue fund.

Several special revenue funds account for over half of the total 2007 budgets for this fund group. They are the county road, surface water, public health pooling, and the human services funds. As of 2007, the county has 32 special revenue funds. Twenty-eight of those funds are budgeted annually.

Debt Service Funds

Debt service funds are employed to account for resources used to repay the principle and interest on general-purpose long-term debt. Property taxes are levied annually to meet redemption requirements unless other revenue sources are specifically dedicated to repayment of the bonds. The unlimited and limited general obligation bond funds represent the bulk of debt service funds appropriations.

Capital Project Funds

Capital project funds pay for major construction and land acquisition projects that are included in King County's capital improvement budget. Revenues for capital funds are derived from taxes, contributions from operating funds, federal and state grants, and bonds. These revenues are usually dedicated to maintain capital programs and are not available to support operating expenses.

Proprietary Fund Types

Enterprise Funds

Enterprise funds are used to account for operations that are financed and operated in a manner similar to business enterprises. They are established as fully self-supporting operations with revenues provided principally from fees, charges, or contracts for services. Enterprise fund revenues and expenditures may fluctuate with changing service levels or consumer demand. Spending in enterprise funds is generally dictated by decisions within the scope and quality of service, by price levels, and/or by contract terms. King County has four enterprise funds: (1) the solid waste enterprise is comprised of the solid waste operating fund, solid waste capital equipment recovery fund, landfill reserve fund, the post closure maintenance fund, and the solid waste construction fund; (2) the King County International Airport enterprise fund; (3) public transportation fund; and, (4) water quality fund.

Internal Service Funds

Internal service funds are used to account for operations similar to those accounted for in enterprise funds, but which provide goods or services primarily to other departments on a cost-reimbursable basis. The county's data processing is an example of such an activity. The majority of the appropriations in these funds are double-budgeted, as they are also included in the paying agencies that receive the services. There are ten internal service funds: insurance, office of information resources (ITS), printing and graphic arts, safety and claims management, financial management, public works equipment repair and replacement, motor pool equipment repair and replacement, employee benefits, geographic information systems, and construction and facilities management.

Basis of Budgeting

For governmental type funds, King County uses the modified accrual basis of budgeting except in certain circumstances described below. Revenues are estimated on the basis of when they become measurable and available for accrual, such as intergovernmental revenues where revenue estimates are matched with appropriations. Those revenues not accrued are taxes, licenses, and

permits. Expenditures are budgeted based on liabilities expected to be incurred in the acquisition of goods and services.

In the current expense and budgeted special revenue funds, the legally prescribed budgetary basis differs from the Generally Accepted Accounting Principles (GAAP) basis as follows:

1. For the current expense and special revenue funds, prepayments are budgeted as expenditures whereas on the GAAP basis, an asset will be established at the date of payment and will be amortized over the accounting periods that are expected to benefit from the initial payment;

2. For the current expense and special revenue funds, capitalized expenditures related to capital leases are not budgeted. Only the annual payments under capital leases are budgeted;

3. In the current expense fund and special revenue funds, certain interfund operating transfers in-and-out, eliminated in the GAAP basis statements, are budgeted;

Two funds within the special revenue fund group do not have an annual basis of budgeting. They are the grants fund and the federal housing and community development block grant fund. Budgets within these funds are on a multi-year basis with the budget for a particular program covering one or more fiscal years. Total revenues and expenditures for the program are budgeted at its inception and any unexpended balance at the end of the fiscal year is carried over to the next fiscal year.

In the debt service funds, the legally prescribed budgetary basis is in conformity with GAAP.

Most capital project funds are budgeted using continuing appropriations, which do not lapse at year-end. The current year's portion of the county's six-year capital improvement program is appropriated each year and the six-year capital improvement financial plan is adopted.

Proprietary funds, called internal service and enterprise, are accounted for on a full accrual basis. Under this basis of accounting, expenditures are recorded at the time liabilities are incurred, and encumbrances are recorded when incurred by purchase order or contract. The budget uses the "financial flow" measurement focus whereby the budgeted revenues and expenditures represent the source and application of available resources for spending. The major cases in which the budgetary basis departs from the accrual basis are where:

- The receipt of assessments receivable are budgeted;

- The accrued portion of such expenses as accrued vacation and sick leave, accrued insurance policy expenses, accrued estimated claims settlements, and accrued interest expense are not budgeted in the year of accrual;

- The maintenance inventory is budgeted under the purchase method, not the consumption method;

- The purchase cost of capital items has been budgeted, but depreciation and amortization expenses have not been budgeted;

- Expenditures related to the book value of capitalized land and equipment disposed or donated are not budgeted; expenditures for the payment of bond and capital lease debt principle are budgeted; expenditures for the prepayment of debt services are budgeted;

- In the internal service funds, expenses for bad debts are treated as negative revenues on the budgetary basis; and

- The supplemental pension payments to the State of Washington Department of Labor and Industries for which the safety and claims management fund (an internal service fund) acts as a clearing fund are budgeted.

Appendix Y – Detailed Budget Requirements

The priorities in the right hand column were derived through a ranking process conducted with the budget Subject Matter Experts (SMEs). SMEs were asked to rate the individual requirements for their agencies using the following scale:
1. Mandatory
2. High priority
3. Medium priority (desirable)
4. Low priority (nice to have but not necessary)

The priorities of the three main budget stakeholder groups – the County Council, the Office of Management and Budget, and the departments and agencies – were collected. In addition, the requirements that specifically addressed the goals stated in the ABT Charter were identified. The priorities shown in the Detailed Budget Requirements were derived from a combination of the ratings.

Note that "mandatory" in this context does not signify a mandatory RFP requirement. In the public sector purchasing process, if a vendor cannot meet one of the mandatory requirements, even if the rest of their proposal is excellent, they cannot be considered. At the recommendation of the ABT Quality Assurance consultant, when the RFP is issued, the list of mandatory requirements will be limited to a bare minimum of the most critical factors.

Primary Process Step	Req No.	Budget System Requirements Version 6.0	Priority 1 – Mandatory 2 – High 3 – Med 4 – Low
1. Preparation	1.	Ability to create an initial version, by line item, of the budget using the following: • Zero balances in all accounts • Current year original budget • Prior year budget • Prior year actual	1
1. Preparation	2.	Ability to create an initial version, by line item, of the budget using the following: • Current year budget or actual plus/minus a percentage • Prior year budget or actual plus/minus a percentage • Current year budget plus or minus user-defined additions and/or reductions.	1
1. Preparation	3.	Ability to apply a percentage increase or decrease to a budgeted figure or set of figures after the initial version is created.	2
1. Preparation	4.	Ability to build budgets for partial FTE's (part time) and partial year FTE's (less than 12 months) and calculate salary and benefits for those positions	1

Primary Process Step	Req No.	Budget System Requirements Version 6.0	Priority 1 – Mandatory 2 – High 3 – Med 4 – Low
1. Preparation (position mgmt)	5.	Ability to calculate annual personnel (salary and benefits) costs by position countywide for all full-time and authorized part-time positions; for a bargaining unit within an organization; or for other user defined selection criteria.	1
1. Preparation (position mgmt)	6.	Ability to calculate "estimated" annual personnel costs for the budget period/year using estimated cost factors and current employee data, not averages (e.g. salary changes, health cost changes, FICA, etc.).	2
1. Preparation (position mgmt)	7.	Ability to calculate "actual" annual personnel costs for the current period/year using actual cost factors and current employee data, not averages.	2
1. Preparation (position mgmt)	8.	Ability to calculate annual personnel costs for vacant positions and calculate salary cost based on default salary range and steps.	1
1. Preparation (position mgmt)	9.	Ability to calculate annual personnel costs for vacant positions based on estimated start date (partial year FTEs).	1
1. Preparation (position mgmt)	10.	Ability to accommodate the following Data Elements for position data: Position number; Compensation type (i.e., monthly salary, or hourly); Classification type (i.e., full-time, part-time, and seasonal); Benefit percentage (i.e., full benefits, partial benefits, etc.); Effective start date; Cost center and allocation percentage; Workers' compensation code.	1
1. Preparation (position mgmt)	11.	Ability to accommodate the following Data Elements for employee data: Position number; Position authorization number; Employee name; Current reporting organization; Actual range and step (i.e. salary/rate reference); Current position class and title (including union representation); Workers' compensation code.	1
1. Preparation (position mgmt)	12.	Ability to accommodate the following Data Elements from the salary tables: Classification compensation code; Range; Step; Current pay amount (monthly salary, hourly rate). Need ability to budget for "salary savings" (a negative item).	1
1. Preparation	13.	Ability to have a comprehensive budget that includes both operating and capital in one location (database) or integration between operating and capital. This is for reporting, data analysis, budget book preparation, ordinance preparation, etc.	1
1. Preparation	14.	Ability to provide and retain project and grant life-to-date-budget and actual data at all project and GL coding levels.	1
1. Preparation	15.	Ability to interface/import/include grants data in the budgeting process.	1
1. Preparation	16.	Ability to accommodate different budget calendars for capital and operating budget process.	1
1. Preparation	17.	Ability to perform capital budgeting independent of the operating budget process.	1
1. Preparation	18.	Ability to forecast current year-end actual, by line item, based on: • Straight line projection • Based on prior year spending pattern	1

Primary Process Step	Req No.	Budget System Requirements Version 6.0	Priority 1 – Mandatory 2 – High 3 – Med 4 – Low
		• User defined formula • Last year actual or budget for the remainder of the current fiscal year	
1. Preparation	19.	Ability to maintain direct integration between the Oracle General Ledger, Project Module, the PeopleSoft Human Capital Management system, and the budget system in real time so that the adopted budget and budget revisions populate GL, Projects, and HR, and GL and HR seed the budget system.	1
1. Preparation (position mgmt)	20.	Ability to calculate budget for benefits specified by labor agreements for certain affected employees, such as shift differential, standby pay, clothing and tool allowances.	2
1. Preparation (position mgmt)	21.	Ability to provide historical, and calculate projected, sick leave and vacation usage and leave accrual to determine productivity so that historical productivity data can be used to develop the budget.	3
1. Preparation (position mgmt)	22.	Ability to budget for COLA adjustments during budget preparation and additional adjustments throughout the year for specified groups of employees.	1
1. Preparation (position mgmt)	23.	Ability to create proposed new job classes for future positions & corresponding pay grade structures to support forecasting for future positions.	2
1. Preparation	24.	Ability to track revenue by account code elements, track current revenues for a six year period.	1
1. Preparation	25.	Ability to calculate and balance loan in & loan out labor costs across and within agencies.	2
1. Preparation	26.	Ability to define allowable/disallowable elements in individual allocations and rate structures. For example: Transit – certain costs cannot be passed on to their customers; they need a way to flag those allowable/disallowable costs.	2
1. Preparation	27.	Ability to identify and track funding requirements for capital projects over the course of multiple fiscal years and budgeting periods.	1
1. Preparation	28.	Ability to budget by option/phase for phases that are different for different types of capital projects – for example IT project phases are different than construction projects	2
1. Preparation	29.	Ability to recognize long term lease expenditures and obligations in financial plans.	2
1. Preparation	30.	Ability to restrict access to different elements of the budget system to selected users based on a budget calendar (budget stage).	1
1. Preparation	31.	Ability to track, through an audit trail, every movement of the budget worksheets through the preparation, review and approval process	1
1. Preparation	32.	Ability to easily identify when viewing an agency budget whether or not it has been submitted to the budget office.	2
1. Preparation	33.	Ability to allow budget office to push via workflow the system-embedded worksheets out to agencies electronically for budget preparation.	1

Primary Process Step	Req No.	Budget System Requirements Version 6.0	Priority 1 – Mandatory 2 – High 3 – Med 4 – Low
1. Preparation	34.	Ability to send alerts and instructions to system users.	3
1. Preparation	35.	Ability for agencies to return budget worksheets back to the budget office electronically via workflow.	1
1. Preparation	36.	Security-enabled workflow for budget development, consolidation, and approval, with an audit trail.	1
1. Preparation	37.	Ability to track and calculate Central Rates and restrict access to who can change rates.	1
1. Preparation	38.	Ability to calculate and populate central rate adjustments during the budgeting process.	1
1. Preparation	39.	Ability to incorporate any year of the 6 year capital plan as a baseline for budget preparation	2
1. Preparation	40.	Ability to establish and track mid-range (6-year) capital budget plans.	1
3. Analysis	41.	Ability to establish and track long-range (30 year) capital budget plans.	3
1. Preparation	42.	Ability to develop decision packages within the system with various combinations of cost and services for decision makers. Support this requirement by allowing users to group/relate different appropriation units in order to construct a decision package.	1
1. Preparation	43.	Incorporate approved decision packages at the budget authority level.	1
1. Preparation	44.	Ability to allow the addition of budget narrative to capture budget request justifications and assumptions.	1
1. Preparation	45.	Ability to link detailed supporting documents and worksheets to substantiate budget requests, projections, variance analyses, or amendments for all budget system processes.	1
1. Preparation	46.	Ability to prepare expenditure and revenue budgets at detailed levels (lower than the cost center) with roll-up capabilities to higher levels of control, reporting, and analysis.	1
1. Preparation	47.	Ability to create multi-year budgets to support the biennial budget process.	1
1. Preparation	48.	Ability to consolidate the budget by various account levels as well as user-definable levels (i.e. project, program, grant, fund, department, and agency).	1
1. Preparation	49.	Ability to allow inquiry or update of budget data after revenue assumptions (e.g., dollar or % increases) are made.	2
1. Preparation	50.	Ability to link loan out staffing in the operating budget to projects in other appropriation units at the individual staff level.	2
1. Preparation	51.	Ability to track committed funds for the project; both actual expenditures and future commitments. For example: negotiate with a property owner for the price with the understanding they have to wait until the funds are appropriated – recognize an obligation for a later date	2

Primary Process Step	Req No.	Budget System Requirements Version 6.0	Priority 1 – Mandatory 2 – High 3 – Med 4 – Low
1. Preparation	52.	Ability to establish and track multiple budget versions, while preserving the history of budget increases and decreases at all levels of the accounting structure.	1
1. Preparation	53.	Ability to maintain multiple budget versions/stages including but not limited to: Initial Status Quo, Proposed Status Quo, Requested, Proposed, Adopted, and Revised.	1
1. Preparation	54.	Ability to update or improve the cost models during the budget process.	2
1. Preparation	55.	Ability to store and use non-financial data (i.e. performance and outcome metrics) to support performance-based budgeting; such as jail Average Daily Population.	1
1. Preparation (position mgmt)	56.	Ability to perform central calculations of COLA, merit pay, benefits, and union labor agreement provisions against latest salary lines and store the results for multiple budget phases.	1
1. Preparation (position mgmt)	57.	Ability to provide an accurate countywide vacancy report with few manual adjustments and vacancy reports at user defined levels (such as appropriation unit or program or grant) through integration with PeopleSoft HCM.	1
1. Preparation	58.	Ability to allow negative budget amounts in any account/option, capital and operating.	1
1. Preparation	59.	Ability to establish and use temporary cost centers and accounts, which are not in the General Ledger, in the budget system for planning and budgeting purposes. Any permanent changes to the Chart of Accounts would be made in GL upon budget adoption.	2
1. Preparation (position mgmt)	60.	Ability to enter and track single or multiple funding sources for each position.	2
1. Preparation (position mgmt)	61.	Ability to have non-pooled positions with one or multiple employees (job sharing) in one or multiple cost centers.	2
1. Preparation (position mgmt)	62.	Ability to project wages and salary figures by budget year (same as calendar year) and remaining year for type of position and account.	2
1. Preparation (position mgmt)	63.	Ability to route position change requests online to managers for approval during the budget process.	3
1. Preparation	64.	Ability to easily import and export budget, financial and employee data in electronic formats (including Excel, MS Project, Primavera, and Access through an ODBC interface)	1
1. Preparation	65.	Ability to create and store narrative pages in a standard format at user defined levels (such as appropriation unit or program or grant) with user defined fields.	1
1. Preparation	66.	Ability to, with permission, make mass adjustments centrally to specific line items across appropriation units.	1
2. Review	67.	Ability to balance budgeted amounts against either: a spending plan, or the appropriation amount.	2

Primary Process Step	Req No.	Budget System Requirements Version 6.0	Priority 1 – Mandatory 2 – High 3 – Med 4 – Low
2. Review	68.	Ability to create user-defined budget links of line item information (revenue total to expenditure total within a project or fund; line item matches to one another such as planned payments from one fund to another fund, transfers from an operating fund to a capital fund, etc).	2
2. Review	69.	Ability to generate budget review documents within a user defined date range.	1
2. Review 1.Preparation too	70.	Ability to allow both the giver and receiver of planned transfers between funds to review and approve the transfer amount before the budget is finalized.	1
2a. Approval	71.	Ability to lock each stage of the budget throughout the review and approval process and at the close of the budget cycle to prevent modification, with limited exceptions. – workflow security	1
2a. Approval	72.	Ability to summarize or roll up cost center worksheets into agency budgets.	2
2a. Approval	73.	Ability to roll up agency worksheets into a county-wide master budget.	2
3. Analysis	74.	Ability to track the history of budget estimates.	1
3. Analysis	75.	Ability to project year-end estimates of expenditures based on user-defined formulas.	1
3. Analysis	76.	Ability to drill down to the line item and program level.	2
3. Analysis	77.	Ability to drill down and roll up according to the view required	1
3. Analysis	78.	Ability to report on geographic location for GASB 34 report requirements for capital budgets.	2
3. Analysis	79.	Ability to keep life to date revenues with life to date expenditures	2
3. Analysis	80.	Ability to project revenues by account, federal or state grant (matching or non-matching).	2
3. Analysis	81.	Ability to track different project expenditures, separating operating from capital within a project.	2
3. Analysis	82.	Ability to access and report capital project milestones, schedules and their financial information.	2
3. Analysis	83.	Ability to calculate CIP project variance report with milestones.	2
3. Analysis	84.	Ability to calculate net present value for projects in a standardized manner for all capital programs. For example, allow for consideration of up to 20 years of operating or lease costs associated with proposed capital budget investment alternatives with sensitivity analysis for alternative discount rate assumptions. Ability to store scenarios and rate assumptions.	1
3. Analysis	85.	Ability to include project schedules or milestones in the operating budget	2

Primary Process Step	Req No.	Budget System Requirements Version 6.0	Priority 1 – Mandatory 2 – High 3 – Med 4 – Low
3. Analysis	86.	Ability to have Excel integration to support forecasting and projections	2
3. Analysis	87.	Ability to perform forecasting processes based upon a group of line items defined by chart of accounts segment	1
3. Analysis	88.	Ability to query a range of chart of account segments and apply a user defined algorithm to designate fund balance reserves, including the ability to enter a lump sum reserve.	2
3. Analysis	89.	Ability to perform an unlimited number of on-line simulation "what-if" analyses.	1
3. Analysis	90.	Ability to perform out-year analyses going out 2-30 years.	2
3. Analysis (position mgmt)	91.	Ability to model labor cost impacts of future merit and step increases.	1
3. Analysis	92.	Ability to save various simulations using unique characteristics/data sets as scenarios.	2
3. Analysis	93.	Ability to do multidimensional analysis of actual and budgeted revenue and costs in a variety of data sets, such as rural/urban, local/regional, incorporated/unincorporated, discretionary/mandatory, and by council districts, planning areas or other geographic components.	1
4. Implementation	94.	Ability to establish formulas for budget allocations such as payroll by days in a month or seasonal patterns for road maintenance.	2
4. Implementation	95.	Ability to provide a trend analysis by user-defined period	1
4. Implementation	96.	Ability to automatically distribute the annual budget by month or other user-defined periods based on user-specified percents or dollar amounts.	1
4. Implementation	97.	Ability to control or track budget allocations by user-defined periods.	1
4. Implementation	98.	Ability to provide automatic upload of approved budget and supplementals/amendments to the accounting system.	1
4. Implementation	99.	Technology Platform • Provide a central location for all budgeting data, including data descriptors. • Consistent user tools across all functions. • Must support integration with Oracle Financials and PeopleSoft Human Capital Management system. • Must have Web-based access.	1
5. Maintenance	100.	Ability to report on year-to-date and life to date actuals, year to date projected, adopted, amended, and expenditure plan.	2

Primary Process Step	Req No.	Budget System Requirements Version 6.0	Priority 1 – Mandatory 2 – High 3 – Med 4 – Low
5. Maintenance	101.	Ability to allow on-line, real-time inquiry into any time period for any account, at any accounting level, both revenues and expenditures, both budget and actual. Include at least five years of historical data for operating, and life-to-date for capital projects. Queries must be able to be done for all appropriation units at once or for any user defined combination of units.	1
5. Maintenance	102.	Ability to calculate and allocate agency overhead from the operating budget to capital projects.	2
5. Maintenance	103.	Ability to maintain Master budget with a sub budget; support hierarchy of projects and subprojects with at least three levels	1
5. Maintenance	104.	Ability to maintain consistency in application of the master/subproject application	1
5. Maintenance	105.	Ability to maintain and report revenue budgets separate from expenditure budgets.	1
5. Maintenance	106.	Ability to maintain and report revenue budgets linked to expenditure budgets at all levels of hierarchy.	1
5. Maintenance	107.	Ability to track legislative provisos (including expenditure restrictions) in the budget system.	1
5. Maintenance	108.	Decision packages are retained on a historical basis within a budget prep year.	2
5. Maintenance	109.	Ability to track budget amendment detail including, but not limited to, date of change, narrative justification for the change, legislative authority for change, type and amount of change.	1
5. Maintenance	110.	Ability to allow narrative text entry on variance reports.	1
5. Maintenance	111.	Ability to capture legislative history of capital projects.	1
5. Maintenance (position mgmt)	112.	Provide functionality to track authorized, filled, and vacant positions, and flag all unauthorized positions utilized in the Budget.	1
5. Maintenance (position mgmt)	113.	Ability to move positions easily within appropriation units and move their budget with them.	1
5. Maintenance	114.	Ability to manage lifetime budgets by project, and summarize at all levels of the accounting hierarchy.	1
5. Maintenance	115.	Ability to report budget balances by dollar amount and percentage.	1
5. Maintenance	116.	Ability to generate user defined detailed and summary reports for user defined periods at various organization levels using real time data from Oracle Financials, PeopleSoft Human Capital Management and the budget system that can be exported easily to other applications and documents.	1
5. Maintenance	117.	Ability to automatically report by cost center on year-to-date variances over a user-defined percentage (e.g., 10%) or by user-defined dollar value.	1
5. Maintenance	118.	Ability to develop a standard set of reports and queries for end-users to use on a regular basis.	1

Primary Process Step	Req No.	Budget System Requirements Version 6.0	Priority 1 – Mandatory 2 – High 3 – Med 4 – Low
5. Maintenance	119.	Ability to generate reports identifying each budget transaction by type and transaction number.	2
5. Maintenance	120.	Ability to generate a budget history report and allow inquiry into current and previous year budgeted and actual amounts.	1
5. Maintenance	121.	Ability to create publishable budget tables, charts, and graphs, with narrative, automatically.	2
5. Maintenance	122.	Ability to link budget information to performance measures to allow for performance based budgeting.	1
5. Maintenance	123.	Ability to create a dashboard to check budget/actual progress.	2
5. Maintenance	124.	Ability to automatically recognize and carry forward capital appropriations, with ability to report on adjustments needing legislative approval.	2
5. Maintenance	125.	Ability to automatically recognize and carry forward grants, with override ability.	2
5. Maintenance	126.	Ability to automatically recognize and carry forward operating budgets, with override ability linked to encumbrance and work authorization.	1
5. Maintenance	127.	Ability to automatically recognize and carry forward revenue, with override ability.	2
5. Maintenance	128.	Comprehensive training program available online to support the users on an ongoing basis.	1
5. Maintenance	129.	Ability to establish role based permissions to reallocate capital budgets between years and projects at specified project and GL coding levels, within specified parameters (flexible budgeting).	2
5. Maintenance	130.	Ability to automatically generate and update multi-year operating and capital funds' financial plans based on actual expenditures and revenues, fund balances (beginning and ending), reserves, adopted budget, revised budget, estimated budget or spending plan.	1
5. Maintenance	131.	Ability to report grants or projects completed or expected to be completed in the next year by year.	2
5. Maintenance	132.	Ability to report budget request for appropriation units by change items, decision packages or other user defined criteria.	1
5. Maintenance	133.	Ability to develop and submit supplemental budget requests at the line item level across multiple appropriation units.	1
5. Maintenance	134.	Tools for archiving and accessing archived budget documents and attachments.	2
6 - Performance	135.	Strategy communication – the software has the ability to visually communicate the organization's strategy to users	2
6 - Performance	136.	User Interface – the user interface should be simple, intuitive, and easy to use	1
6 - Performance	137.	Personalization – the software allows the user (or system administrator) to tailor a user's view for their specific needs.	2
6 - Performance	138.	Reporting Options – the software allows for multiple reporting formats that are easy to understand and visually informing	2
6 - Performance	139.	Graphical displays – performance data can be displayed graphically in multiple ways for maximum clarity and	1

Primary Process Step	Req No.	Budget System Requirements Version 6.0	Priority 1 – Mandatory 2 – High 3 – Med 4 – Low
		understanding	
6 - Performance	140.	Number of measures – The software should support a large number of measures (minimum of 5,000)	1
6 - Performance	141.	Number of levels – the software should support multiple levels of measures (minimum of seven)	2
6 - Performance	142.	Descriptive text – The software should support the entry of lengthy descriptions and definitions of measures, objectives, etc. in addition to titles	2
6 - Performance	143.	Relative weights – Measures can be assigned weights independent of each other	2
6 - Performance	144.	Multiple polarity – Measure results can be considered "good" if the number is high, low, or in a middle range with both high and low numbers as "bad"	2
6 - Performance	145.	Differences in measures – The software supports the aggregation of measures with differing units and time frames (indexing).	2
6 - Performance	146.	Commentaries – the software allows users to add commentary to explain measure results	2
6 - Performance	147.	Linked documents – Users can click and bring up documents related to a goal, objective, or measure	1
6 - Performance	148.	Multiple methodologies – the software should display key performance data in a variety of ways including: fixed summaries, hierarchical representations, bulletin board pages, balanced scorecards, strategy maps, executive briefing books, etc.	2
6 - Performance	149.	Multiple comparatives - the software supports comparison of measure data to multiple comparatives (e.g. against current target, against previous year's performance, etc.)	2
6 - Performance	150.	Drill-down capability – Users can drill down on measures to increasingly lower levels of detail.	2
6 - Performance	151.	Data consolidation – Measure data can be, for example, summed, averaged, or expressed as year-to-date totals.	2
6 - Performance	152.	Statistical analysis – the software contains the facility to perform basic statistical analyses on measurement data	1
6 - Performance	153.	Integration of performance management with Oracle Financials and PeopleSoft Human Capital Management and the budget system.	1
6 - Performance	154.	Integration with ArcGIS mapping software.	2
6 - Performance	155.	Integration with other databases – The software can interface with a variety of database types and formats to automatically import data (e.g. SQL databases, ASCII files, etc.)	1
6 - Performance	156.	The software has the ability to export data to standard database formats.	1
6 - Performance	157.	Cut and paste to applications – Users are able to cut and paste information into other Windows based applications.	2
6 - Performance	158.	Cascading scorecards – The software should allow the current scorecard to connect with scorecards at higher and lower levels of the organization on different servers.	2

Primary Process Step	Req No.	Budget System Requirements Version 6.0	Priority 1 – Mandatory 2 – High 3 – Med 4 – Low
6 - Performance	159.	Web publishing – the software has the ability to publish results on the internet	1
6 - Performance	160.	Ownership assignment – The software supports assigning owners to individual measures	2
6 - Performance	161.	Control of changes – the software provides a system access rights to restrict the ability of users to make changes only to the areas allowed by the administrator	1
6 - Performance	162.	Ease of modification –- The system administrator should be able to easily modify the configuration of the software to change goals, objectives, measures, and the way in which data is displayed.	1
6 - Performance	163.	Alerts – the software will automatically notify users when a measure is performing at unacceptable levels	2
6 - Performance	164.	Flag missing data – missing data will trigger a special indicator indicating its absence	1
6 - Performance	165.	Ability to input target(s) for measures – both annual and long-term targets – and to show actual against target	1
6 - Performance	166.	Ability to view prior years' performance as comparables – both prior year actual expenditures and prior year targets	1

Appendix Z - GLOSSARY

Account Class—A grouping of like accounts used as a basis for classifying financial information such as types of revenues and expenditures.

Accrual Basis—This is the basis of accounting under which transactions are recognized when they occur, regardless of the timing of related cash flows. Expenses are recorded at the time liabilities are incurred and revenues are recorded when earned. Unbilled service receivables are recorded at year-end.

Allot—To divide an appropriation into amounts which may be encumbered or expended during an allotment period.

Allotment Plan— A fiscal management plan that divides each county agency's budget into quarterly increments, reflecting the cyclical or seasonal pattern of expenditures, for the purpose of identifying over and under expenditures throughout the year.

Annualize—Taking changes that occurred mid-year and calculating their cost for a full year, for the purpose of preparing an annual budget.

Appropriation—A legal authorization granted by the County Council to make expenditures and to incur obligations for specific purposes.

Appropriation Level— The organizational level at which authorization is granted by the council to make expenditures and to incur obligations for specific purposes. The budget is adopted at this level, usually encompassing a department or fund.

Assessed valuation—A determination of value set upon real estate or other property, by a government, as a basis for levying taxes.

Asset—Any owned physical object (tangible) or right (intangible) having a monetary value.

Available (Undesignated) Fund Balance— The portion of a fund's balance that is not restricted for a specific purpose and is available for general appropriation.

Base Budget— The base budget is the starting point for the year's current operating budget. It represents the cost of continuing the existing levels of service in the current budget year.

Bond—An interest-bearing certificate of public indebtedness. A long-term IOU or promise to pay. It is a promise to repay a specified amount of money (the face amount of the bond) on a particular date (the maturity date). Bonds are primarily used to finance capital projects.

• **General Obligation (G.O.) Bond**—This type of bond is backed by the full faith, credit and taxing power of the government.

• **Revenue Bond**—This type of bond is backed only by the revenues from a specific enterprise or project, such as a hospital or toll road.

• **Bond Refinancing—**The payoff and re-issuance of bonds, to obtain better interest rates and/or bond conditions.

Budget—A plan of financial activity for a specified period of time (fiscal year or biennium) indicating all planned revenues and expenses for the budget period.

Budgetary Basis—This refers to the basis of accounting used to estimate financing sources and uses in the budget. This generally takes one of three forms: GAAP, cash, or modified accrual.

Budget Calendar—The schedule of key dates that a government follows in the preparation and adoption of the budget.

Budget Version— The chronological phase of the budget preparation process. King County's current phases are Initial Status Quo, Proposed Status Quo, Requested, Proposed, Adopted, and Revised.

Budgetary Control—The control or management of a government in accordance with the approved budget for the purpose of keeping expenditures within the limitations of available appropriations and resources.

Burden Rates – Fixed rates applied to labor costs to recover the expenses of various indirect costs (i.e. management or administration).

Capital Assets—Assets that are significant value and have a useful life of several years. Capital assets are also called fixed assets.

Capital Budget—The appropriation of budget for acquisition or construction of infrastructure or improvements to facilities and existing infrastructure.

Capital Improvements—Expenditures related to the acquisition, expansion or rehabilitation of an element of the government's capital assets; sometimes referred to as infrastructure.

Capital Improvements Program (CIP)—A plan for capital outlay to be incurred each year over a fixed number of years to meet capital needs arising from the government's long-term needs.

Capital Improvement Project—A particular project that relates to the acquisition (purchase) or construction of major capital facilities.

Capital Outlay—Expenditure related to procuring fixed assets which have a value of $1,000 or more and have a useful economic lifetime of more than one year; or, assets of any value if the nature of the item is such that it must be controlled for custody purposes as a fixed asset.

Capital Project—Major construction, acquisition, or renovation activities which add value to a government's physical assets or significantly increase their useful life.

Capital Reserve—An account used to segregate a portion of the government's equity to be used for future capital program expenditures. The amount of capital reserve is roughly equal to the government's annual equipment depreciation and an amount identified as being needed for future capital acquisition.

Cash Basis—A basis of accounting in which transactions are recognized only when cash is increased or decreased.

Central Rates— Any internal service rate or other cost that is charged to all agencies or has the potential to be charged to all agencies.

Change Items— The designations given to proposed changes to the base budget. Describes the nature of the change and allows those changes to be tracked, reported, grouped and otherwise

analyzed. Change item is a code used to track the kind of budget adjustment or change made to an amount within each budget version.

Commodities—Expendable items that are consumable or have a short life span. Examples include office supplies, gasoline, minor equipment, and asphalt.

Constant or Real Dollars—The presentation of dollar amounts adjusted for inflation to reflect the real purchasing power of money as compared to a certain point in time in the past.

Consumer Price Index (CPI)—A statistical description of price levels provided by the US Department of Labor. The index is used as a measure of the increase in the cost of living (i.e., economic inflation).

Contingency—A budgetary reserve set aside for emergencies or unforeseen expenditures not otherwise budgeted.

Contra Account – An account whose balance is on the opposite side of the account to which it is related. An example is a budget reduction that is captured in a contra balance to lower the overall budget and that will later be allocated to specific budget reduction accounts.

Contractual Services—Services rendered to a government by private firms, individuals, or other governmental agencies. Examples include utilities, rent, maintenance agreements, and professional consulting services.

Cost Center— Lowest organizational unit of the accounting hierarchy where accounting charges are posted.

Cost-of-Living Adjustment (COLA)—An increase in salaries to offset the adverse affect of inflation on compensation.

Debt Service—The cost of paying principal and interest on borrowed money according to a predetermined payment schedule.

Decision Package— Decision packages organize and describe proposed cost changes in a way that highlights the budget decisions. The decision package consolidates the financial information, the supporting justification, and the statement of impact for a specific action or policy proposed for implementation in the budget.

Dedicated Tax—A tax levied to support a specific government program or purpose.

Deficit—The excess of an entity's liabilities over its assets or the excess of expenditures or expenses over revenues during a single accounting period.

Depreciation—Estimated decrease in the economic value over time of capital assets attributable to wear and tear, deterioration, action of the physical elements, inadequacy or obsolescence.

Development-Related Fees—Those fees and charges generated by building, development and growth in a community. Included are building and street permits, development review fees, and zoning, platting and subdivision fees.

Disbursement—The expenditure of monies from an account.

Employee (or Fringe) Benefits—Non salary-and-wage compensation to employees or its cost. Contributions made by a government to meet commitments or obligations for employee fringe

benefits. Included are the government's share of costs for Social Security and the various pensions, medical, and life insurance plans.

Encumbrance—The commitment of appropriated funds to purchase an item or service. To encumber funds means to set aside or commit funds for a specified future expenditure. A purchase order is the most common commitment encumbrance.

Entitlements—Payments to which local governmental units are entitled, pursuant to an allocation formula determined by the agency providing the monies, usually the state or the federal government.

Expenditure—A net decrease in financial resources. Expenditures include operating expenses that require the use of current assets. This term designates the cost of goods delivered or services rendered, whether paid or unpaid, including expenses, provision for debt retirement not reported as a liability of the fund from which retired, and capital outlays.

Expense—Charges incurred (whether paid immediately or unpaid) for operations, maintenance, interest or other charges.

Financial Plan—A summary by fund of planned revenues and expenditures, reserves, and undesignated fund balances.

Fiscal Policy—A government's policies with respect to revenues, spending and debt management as these relate to government services, programs and capital investment. Fiscal policy provides an agreed-upon set of principles for the planning and programming of government budgets and their funding.

Fiscal Year—A twelve-month period designated as the operating year for accounting and budgeting purposes in an organization. King County's fiscal year is January through December.

Fixed Assets—Assets of long-term character that are intended to continue to be held or used, such as land, buildings, machinery, furniture and other equipment.

Flexible Capital Budgeting—Several county agencies have been authorized to budget at the CIP fund level rather than CIP project level. In those agencies, under specified conditions, CIP project budget reallocations may take place during the budget year among the projects to respond in a timely manner to events beyond the control of the agency that result in temporary postponement or acceleration of CIP projects.

Full Cost Allocation – A full cost allocation approach means allocating indirect expenses among functions with the objective of allocating all expenses, including certain general government expenses.

Full Faith and Credit—A pledge of a government's taxing power to repay debt obligations.

Full-Time Equivalent Position (FTE)—A part-time position converted to the decimal equivalent of a full-time position based on 2,080 hours per year. For example, a part-time typist working for 20 hours per week would be the equivalent to .5 of a full-time position.

Fund—An independent fiscal and accounting entity with a self-balancing set of accounts recording cash and other financial resources, together with all related liabilities and changes in these assets and liabilities.

Fund Balance—The fund equity of governmental funds and trust funds or the excess of the assets of a fund over its liabilities, reserves and carryover.

GAAP—Generally Accepted Accounting Principles. Uniform minimum standards for financial accounting and recording, encompassing the conventions, rules and procedures that define accepted accounting principles.

Grants—A contribution by a government or other organization to support a particular function. Grants may be classified as either operational or capital, depending upon the grantee.

Hourly—An employee who is paid on a per hour basis.

Infrastructure—The physical assets of a government (e.g., streets, water, sewer, public buildings and parks).

Interfund Transfers—The movement of monies between funds of the same governmental entity.

Intergovernmental—Refers to transactions between the different levels of government, e.g., city, county, state, and federal.

Intergovernmental Revenue—Funds received from federal, state and other local government sources in the form of grants, shared revenues, and payments in lieu of taxes.

Internal Service Charges—The charges to user departments for services provided by another government agency. Examples are data processing services or insurance funded from a central pool.

Lapsing Appropriation—Automatic termination of an appropriation. Appropriations are made for a certain period of time, generally for the fiscal year. At the end of the specified period, any unexpected or unencumbered balance lapses or ends, unless otherwise provided by law.

Levy—To impose taxes for the support of government activities.

Levy Rate—The amount of tax levied for each $1,000 of assessed valuation.

Liability—Indebtedness of a governmental entity. Common examples are amounts owed to vendors for services rendered or goods received, and principal and interest owed to holders of county bonds. These are debts or legal obligations arising out of transactions in the past that must be liquidated, renewed, or reduced at some future date.

Line-Item Budget—A budget prepared along departmental lines that focuses on what is to be bought.

Loan in/Loan out—All King County staff are budgeted in an operating cost center. Loan in/loan out is an automated process to charge salary and benefit costs to capital projects or to other operating units for work done outside the home cost center.

Long-Term Debt—Debt with a maturity of more than one year after the date of issuance.

Materials and Supplies—Expendable materials and operating supplies necessary to conduct departmental operations.

Mill—The property tax rate which is based on the valuation of property. A tax rate of one mill produces one dollar of taxes on each $1,000 of assessed property valuation.

Modified Accrual Basis—The basis of accounting adapted to the governmental fund type spending measurement focus. Under it, revenues are recognized when they become both "measurable" and "available to finance expenditures of the current period". Expenditures, other than accrued interest on general fiscal long-term debt, are recognized when the related fund liability is incurred.

Net Budget—The legally adopted budget less all interfund transfers and interdepartmental charges.

Nominal Dollars—The presentation of dollar amounts not adjusted for inflation. Adjusting for inflation would be done to reflect the real purchasing power of money today.

Object of Expenditure—An expenditure classification, referring to the lowest and most detailed level of classification, such as electricity, office supplies, asphalt and furniture.

Objective—Something to be accomplished in specific, well-defined, and measurable terms and that is achievable within a specific time frame.

Obligations—Amounts which a government may be legally required to meet out of its resources. They include not only actual liabilities, but also encumbrances not yet paid.

Operating Budget—Plans of current expenditures and the proposed means of financing them. The annual operating budget is the primary means by which most of the financing of acquisitions, spending, and service delivery activities of a government are controlled.

Operating Revenue—Funds that the government receives as income to pay for ongoing operations. It includes such items as taxes, fees from specific services, interest earnings and grant revenues. Operating revenues are used to pay for day-to-day services.

Operating Expenditures—The financial outlay for personnel, materials and equipment required for a department to function.

Ordinance - A formal legislative enactment by the Council or governing body of a governmental entity.

Overhead – Indirect costs associated with providing services (i.e. management and administrative expenses.

Pay-As-You-Go Basis—A term used to describe a financial policy by which capital outlays are financed from current revenues rather than through borrowing.

Performance Budget—A budget wherein expenditures are based primarily upon measurable performance of activities and work programs.

Performance Indicators—Specific quantitative and qualitative measures of work performed as an objective of specific departments or programs.

Performance Measure—Data collected to determine how effective or efficient a program is in achieving its objectives.

Personnel Costs—Expenditures for salaries, wages, and fringe benefits of a government's employees.

Prior-Year Encumbrances—Obligations from previous fiscal years in the form of purchase orders, contracts or salary commitments which are chargeable to an appropriation, and for which

a part of the appropriation is reserved. They cease to be encumbrances when the obligations are paid or otherwise terminated.

Program—A group of related activities performed by one or more organizational units for the purpose of accomplishing a function for which the government is responsible.

Program Budget—A budget which allocates money to the functions or activities of a government rather than to specific items of cost or to specific departments.

Program Category—A grouping of departmental expenditures by functional or program activities which are directed toward a common purpose or goal.

Program Performance Budget—A method of budgeting whereby the services provided to the residents are broken down in identifiable service programs or performance units. A unit can be a department, a division, or a workgroup. Each program has an identifiable service or output and objectives to effectively provide the service. The effectiveness and efficiency of providing the service by the program is measured by performance indicators.

Program Revenue (Income)—Revenues earned by a program, including fees for services, license and permit fees, and fines.

Proviso— A requirement in the adopted budget ordinance that places a restriction on a portion of the budget. A specified dollar amount is restricted from being spent until the terms of the proviso are met.

Reserve—An account used either to set aside budgeted revenues that are not required for expenditure in the current budget year or to earmark revenues for a specific future purpose.

Resolution—A special or temporary order of a legislative body; an order of a legislative body requiring less legal formality than an ordinance or statute.

Resources—Total amounts available for appropriation including estimated revenues, fund transfers, and beginning balances.

Revenue—Amounts received by a government through such sources as taxes, fines, fees, grants, or charges for services which can be used to finance government operations or capital assets. These amounts increase the net assets of the government. For those revenues that are recorded on the accrual basis, this term designates additions to assets that: (a) do not increase any liability; (b) do not represent the recovery of an expenditure; (c) do not represent the cancellation of certain liabilities without a corresponding increase in other liabilities or a decrease in assets; and (d) do not represent contributions of fund capital in Enterprise and Intra-governmental Service Funds.

Service Lease—A lease under which the lessor maintains and services the asset.

Service Level—Services or products which comprise actual or expected output of a given program. Focus is on results, not measures of workload.

Site-Based Budgeting—A decentralized budget process whereby budget preparation and development are based on individual geographic sites.

Source of Revenue—Revenues classified according to their point of origin.

Spending Plan—A cash flow plan used to implement the budget authority (appropriation). Since budget is spending authority and does not translate directly to cash, there is a need to

develop a spending plan that includes assumptions about bond financing, investment return rates, cash receipts and time and rate of expenditures.

Supplemental Appropriation—An appropriation made by the governing body after the budget year or biennium has started. An addition or subtraction to an adopted budget ordinance that takes place during the fiscal year.

Supplemental Requests—A formal request for a supplemental appropriation to meet changes in circumstances since passage of an adopted budget ordinance.

Tax Levy—The total revenue a taxing district is authorized to collect. This total is divided by the taxing district's assessed valuation, divided again by 1,000 to determine the rate applied to individual property owners.

Taxes—Compulsory charges levied by a government for the purpose of financing services performed for the common benefit of the people. This term does not include specific charges made against particular persons or property for current or permanent benefit, such as special assessments.

TLT/TLP—Term-limited temporary (TLT) or Term Limited Position (TLP) means a fully benefited temporary position with work related to a specific grant, capital improvement project, information systems technology project or other non-routine, substantial body of work, for a period greater than 6 months and normally less than 3 years.

Transfers In/Out—Amounts transferred from one fund to another to assist in financing the services for the recipient fund.

Unencumbered Balance—The amount of an appropriation that is neither expended nor encumbered. It is essentially the amount of money still available for future purposes.

Unreserved Fund Balance—The portion of a fund's balance that is not restricted for a specific purpose and is available for general appropriation.

User Charges—The payment of a fee for direct receipt of a public service by the party who benefits from the service.

Variable Cost—A cost that increases or decreases with increases or decreases in the amount of service provided, such as the payment of a salary.

Work Authorization—A formal agreement in which one cost center or project requests and agrees to pay for specific work by county personnel. Also the G/L code identifying the Work Authorization.

Workload Indicator—A unit of work to be done (e.g., number of permit applications received, the number of households receiving refuse collection service, or the number of burglaries to be investigated)